

DATE: October 2, 2003

Dear [insert member's name],

[M+C Organization Name] will no longer offer [M+C plan name] to people with Medicare in [County/State Name(s)] after [Date]. This means you will have to make some decisions about your health care. You are still in the Medicare program no matter what you decide.

Changing the way you get health care is an important decision. You may want to ask your family and friends or other people you trust for help with this decision. We have included information to help you learn about your Medicare choices for [year]. Before you make this decision, you should do these things:

1. **If you have health care coverage through an employer or union**, contact the employer or union.
2. **If you have Medicaid coverage**, contact [State Medicaid Agency].
3. **Read the attached information** to learn more about
 - What health care choices you may have;
 - What choices you have if you decide to buy a Medigap policy;
 - What you need to think about if you have permanent kidney failure, also known as End-Stage Renal Disease (ESRD);
 - What you can do if you only have Medicare Part B;
 - Where you can find answers to your questions; and
 - Whom you can contact if you want help making your health care decisions.
4. **Keep this letter.** It is proof that you have a special right to buy a Medigap policy (only include the following options if available) [and that you can enroll in a new Medicare Managed Care Plan, Medicare Preferred Provider Organization or Medicare Private Fee-for-Service Plan].

We apologize for any inconvenience our decision may cause you. If you need more information, please call our Member Services Department at [Phone Number]. You can speak to someone at this number, [Days & Hours]. You can also look at the www.medicare.gov web site, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. A Customer Service Representative will be able to answer your Medicare and Medigap questions. Tell the Customer Service Representative that you have received this letter.

Sincerely,

[CEO or other official of M+C organization]

Enclosure

Keep this letter as proof of membership in [Name of Non-Renewing M+C Plan]

If you have any questions about this letter:

Call 1-800-MEDICARE (1-800-633-4227); TTY users should call 1-877-486-2048

[M+C Organization Name] will no longer offer [M+C plan name] to people with Medicare in [County Name] after [Date]. The rest of this package tells you about your Medicare choices for 2004. It also tells you how you can get help to understand what choices you have.

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SECTION I: What are my Health Care Choices?

You may have the following Medicare health care choice(s): (Note to M+C organizations/plans — Only insert options that are available - see instructions below)

1. You may be able to join another Medicare health plan; or,
2. You can get your health care from the Original Medicare Plan (sometimes called “traditional” Medicare or “Fee-for-Service” Medicare).

1. Other Medicare Health Plans (insert only if available)

You can enroll in another Medicare health plan in your area. Most Medicare health plans are Medicare + Choice Plans, which include Medicare Managed Care Plans (like HMOs), Preferred Provider Organizations (PPOs) and Private Fee-for-Service Plans. (Include only if a PPO is available) Medicare PPOs are Medicare + Choice Plans in which you use doctors, hospitals, and providers that belong to the network. You can use doctors, hospitals and providers outside of the network for an additional cost. (Include only if a PFFS is available) Private Fee-for-Service Plans are Medicare + Choice Plans offered by a private insurance company. These are not the same as the Original Medicare Plan, which is the Fee-for-Service arrangement offered by the Federal Government.

Your options may be different if you have either of the following:

- Permanent kidney failure (ESRD). Please read Section III; or,
- Medicare Part B Only (not Part A). Please read Section IV.

Medicare + Choice Plans (insert only if other M+C plans are available)

You can enroll in another Medicare + Choice Plan if both of the conditions below apply:

- You have Medicare Parts A (hospital insurance) and B (medical insurance), and
- You live in the Medicare + Choice Plan's service area.

You can join one of these plans during a “Special Election Period” from October 1, 2003 thru December 31, 2003. Your coverage in the new plan can begin on November 1, 2003, December 1, 2003 or January 1, 2004 as long as the new plan is available and it receives your completed enrollment form before the date you want your coverage to start. All Medicare health plans must accept your enrollment during this time, unless they have met their “capacity limit.” A capacity limit is an approved limit on the number of people with Medicare that a plan can enroll. You should contact the health plan(s) you are interested in to find out if they are accepting new members and how to enroll.

If you want to join a new Medicare + Choice Plan and have your coverage start on January 1, 2004, the new plan must receive your completed enrollment form by December 31, 2003.

If you make your decision after **December 31, 2003**, you may still be able to join a new Medicare health plan, if the one you choose is accepting new members. However, you will be in the Original Medicare Plan from **January 1, 2004** until your coverage in the new plan begins.

The following Medicare + Choice Plan(s) may be available in your area **(insert only if available)**:

- Managed Care Plans:

(Insert name, address, and county(ies) in the service area, phone number and TTY number of all managed care plan(s))

- Private Fee-for-Service Plans:

(Insert name, address, county(ies) in the service area, phone number and TTY number of all Private Fee-for-Service Plans)

- Preferred Provider Organizations (PPOs):

(Insert name, address, county(ies) in the service area, phone number and TTY number of all PPOs)

You should call any of these health plans if you have questions about premiums, benefits, enrollment process, service area, or when your coverage would begin.

Other Types of Medicare Health plans **(insert only if cost plans, etc. are available)**

[This] [These] Medicare Health **[plan] [plans]** may have different rules about who can join, how and when you can join, when your coverage begins, or where you can go for your health care. If you need information about **[this health plan's] [these health plans']** rules, you should call **[this plan] [any of these plans]** for more information.

- **(Insert name, address, county(ies) in the service area, phone number and TTY number of all other plans including cost plans that choose to be listed)**

2. The Original Medicare Plan

You can change to the Original Medicare Plan (sometimes called “Fee-for-Service” or “traditional Medicare”). If you wish to do this, you should also read Section II about your Medigap rights. You can change to the Original Medicare Plan in one of two ways.

1. You can stay with our plan until **December 31, 2003**, and the Centers for Medicare & Medicaid Services (CMS) will automatically change you to the Original Medicare Plan on **January 1, 2004**.

To change to the Original Medicare Plan on **January 1, 2004, you don't need to tell us or anyone else that you are changing to the Original Medicare Plan. You don't need to fill out any forms; or,**

2. You can be covered by the Original Medicare Plan before **January 1, 2004**.

To change to the Original Medicare Plan before **January 1, 2004, you can do one of the following:**

- Send or fax us a written request saying you want to leave our plan; or
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Tell the Customer Service Representative that you want to leave **[non-renewing M+C plan]** so that you can begin receiving health care from the Original Medicare Plan; or
- Visit your local Social Security office or call the Social Security Administration at 1-800-772-1213. If you or your spouse are retired from the railroad, contact the Railroad Retirement Board office. Tell the Customer Service Representative that you want to leave your Medicare + Choice Plan so that you can begin receiving health care from the Original Medicare Plan.

When you ask to leave **[non-renewing M+C plan]**, you must also say when you want Original Medicare Plan coverage to start. You can have your coverage in the Original Medicare Plan start on **November 1, 2003, December 1, 2003, or January 1, 2004** as long as our plan or one of the organizations listed above receives your request before the start date you choose.

You will get your health care from the Original Medicare Plan the day after your enrollment with our plan ends. If you choose to leave our plan before December 31, 2003, we will let you know in writing what date your new coverage begins.

Remember, until your membership in **[non-renewing M+C plan] ends, you must still use our network doctors and other health plan providers, except for emergencies, out-of-area urgently needed care, and out-of-area dialysis services. (If non-renewing plan is PFFS or a PPO, insert appropriate language)**

IMPORTANT: If you want to return to the Original Medicare Plan and you want to buy a Medigap policy, or if you want to understand what Medigap rights you might have, even if you expect to join another Medicare health plan, please read the following section about your choices.

Section II: What Are My Medigap Rights?

Understanding Medigap

Medigap policies, also called “Medicare Supplement Insurance,” are sold by private insurance companies to help pay for some of the costs that the Original Medicare Plan does not pay for, including deductibles, coinsurance and certain services. In most States, there are 10 standardized Medigap policies available. They are called Plans A through J. If you will be changing to the Original Medicare Plan, you will have special rights to buy a Medigap policy, so you should think about whether you need to buy one. Remember you will have coverage under the Original Medicare Plan whether or not you buy a Medigap policy. Other supplemental coverage may also be available to you through an employer or union health plan.

You might also have Medigap rights that you can keep even if you change to another Medicare health plan. It is important that you read all of this section to find out if you have Medigap rights and to understand your choices. If, after reading this section, you still have questions about your Medigap rights, call [name of SHIP], your State Health Insurance Assistance Program at [SHIP number(s)]. [Name of SHIP] is a State program that gives free local health insurance counseling to people with Medicare.

If you decide to buy a Medigap policy, make a copy of the attached letter to send in with your application. It will prove that you have special rights to buy a Medigap policy.

Medigap Rights

Private insurance companies usually do not have to sell you a Medigap policy unless you are still in your Medigap open enrollment period (the six-month period beginning when you are 65 and enrolled in Medicare Part B). During your Medigap open enrollment period, you have the right to buy any Medigap policy that is offered by any insurance company in your state. Because you will no longer have coverage under [non-renewing M+C plan], you also have a limited right to buy a Medigap policy even if you are no longer in your Medigap open enrollment period. You have a special temporary right to buy any Medigap Plan A, B, C, or F that is sold in your state by any insurance company, if you are age 65 or older., If you apply for a Medigap policy during the time described

in the following section, “**Applying for Medigap**,” the insurance company cannot deny you the policy, make you wait for coverage to start, refuse to cover pre-existing conditions, or charge you a higher price for the policy because of your past or present health problems. This important Medigap protection is called a “guaranteed issue” right because insurance companies must sell you a policy.

Insurance companies generally do not have to sell Medigap policies to people under age 65. However, if an insurance company voluntarily sells Medigap Plans A, B, C, or F to anyone with Medicare who is under age 65 in [State], it must sell them to anyone who has to leave [non-renewing M+C plan] because we will no longer provide Medicare services in your area. Call the [name of SHIP] at [SHIP number] for more information about whether any Medigap policies are offered to people with Medicare under age 65 in [State].

Applying for Medigap

If you are still in your Medigap open enrollment period, you have your full rights to apply for a Medigap policy. Even if you are not in your open enrollment period, you will now have more limited rights to apply for a policy. You can generally apply for a **Medigap policy any time after the date of this letter**. However, to protect your rights, you must apply no later than **63 calendar days after your coverage under our health plan ends**. If you stay enrolled in our plan until **December 31, 2003**, you will be automatically enrolled in the Original Medicare Plan on **January 1, 2004**. You can stay in our plan until **December 31**, or voluntarily leave and return to the Original Medicare Plan before **December 31**.

Remember, your enrollment in a Medigap policy is not automatic, and buying a Medigap policy does not automatically cancel your enrollment in a Medicare + Choice Plan. You must contact a private insurance company that sells Medigap policies and ask for an application. If you decide to buy a Medigap policy, it is best to apply for the policy early enough so that your Medigap policy coverage begins the same day as your Original Medicare Plan coverage. You do not need a Medigap policy if you are enrolled in a Medicare + Choice Plan.

Additional Medigap Rights

You have the right to buy Medigap Plans A, B, C or F because your coverage with our Medicare + Choice Plan is ending.

There are two situations where you may have a choice of more Medigap plans if you are “trying out” a Medicare + Choice Plan for the first time and you have been in the Medicare + Choice Plan for less than 12 (in some cases 24) months.

First, if you dropped a Medigap policy within the last 12 (in some cases 24) months to join a Medicare + Choice Plan for the first time, you have more rights. If you want to leave the Medicare + Choice Plan within the first 12 months of joining, you have the right to buy back your former Medigap policy if the same insurance company still sells it. If your former policy is

not available, you have the right to buy Medigap Plans A, B, C or F from any insurance company that sells these plans in your state.

Second, if you joined a Medicare + Choice Plan during the last 12 (in some cases 24) months when you were first eligible for Medicare at age 65, you have more rights. If you want to leave the Medicare + Choice plan within the first 12 months of joining, you have the right to buy any Medigap policy, Plan A through J, from any insurance company that sells these plans in your state.

To have the Medigap choices available to people in this 12-month period, you must voluntarily leave (disenroll from) [non-renewing M+C Plan] and change to the Original Medicare Plan before December 31, 2003 or before the 12-month period ends, if it ends earlier than December 31, 2003. You must apply for your Medigap policy no later than 63 days after you leave (disenroll from) our plan. If you do not voluntarily leave [non-renewing M+C Plan], you will lose these *additional* Medigap rights. You will be automatically disenrolled from our Medicare + Choice Plan on December 31, 2003 and changed to the Original Medicare Plan. You will still have the right to buy Medigap Plan A, B, C or F from any insurance company that sells these plans in your state because you are losing coverage under our Medicare + Choice plan. You have 63 days after your coverage under our plan ends to apply for a Medigap policy.

You may have an extra 12 months to try out a Medicare + Choice Plan if the plan you first joined leaves the Medicare program or stops giving care in your area during the first 12 months that you are in the plan and you immediately join another Medicare + Choice Plan. The most time you can have to try out a Medicare + Choice Plan, and still keep your Medigap rights, is two years from the date you first enrolled in any Medicare + Choice Plan.

If [non-renewing M+C Plan] is the first Medicare + Choice plan you have joined and you have been in our plan less than 12 months and you want to keep your Medigap rights, you must choose a new Medicare + Choice Plan and be enrolled in the new plan by the time your coverage under our plan ends on December 31, 2003. You do not need to tell us that you are joining a new Medicare health plan, but you do need to tell the new Medicare health plan that your coverage should start on January 1, 2004.

If you want to find out more about your Medigap rights and get help to understand your choices, you can call the [name of SHIP] at [SHIP phone number(s)].

Section III: What If I Have Permanent Kidney Failure (ESRD)?

People with Medicare who have permanent kidney failure (also called End-Stage Renal Disease or ESRD) have a one-time right to join a new Medicare + Choice Plan if their plan leaves Medicare or stops providing care in their area. Because [M+C organization] will no longer offer [non-renewing M+C plan] in your area, you are allowed to join a new Medicare + Choice health plan. If any Medicare + Choice Plans are available to you in your area, they are shown in

Section I, under “Medicare + Choice Plans.” Please save this letter as proof of your right to join a new Medicare + Choice Plan.

If you join a new Medicare + Choice Plan and later choose to leave that plan, you will not be able to join another Medicare health plan. You will get your Medicare coverage from the Original Medicare Plan. The only way you may get another chance to join a new Medicare + Choice Plan is if the new plan you join later leaves the Medicare program or stops providing care in your area.

You don’t have to use your one-time right to join a new Medicare + Choice Plan at this time. If you change directly to the Original Medicare Plan after leaving [non-renewing M+C plan], you will still have a one-time right to join a Medicare + Choice Plan at a later date as long as you are in an enrollment period.

(Include the following section ONLY if you currently have Part-B only members who will be receiving this letter. If you don’t have any such members, please delete this section and its inclusion in the Table of Contents, and renumber the remaining section accordingly.)

Section IV: What If I Only Have Medicare Part B?

You generally must be enrolled in Medicare Part A **and** Part B before you can join another Medicare + Choice Plan. In addition, most Medigap insurance companies will not sell you a Medigap policy unless you have both Medicare Part A and Part B. If you are not sure if you have Medicare Part A, you can check the lower left corner of your red, white, and blue Medicare card. It will show which parts of Medicare you have. If you still are not sure, call your local Social Security office or call the Social Security Administration at 1-800-772-1213.

If you want to join a new Medicare + Choice Plan and you don’t have Part A, you must enroll in Part A before you will be able to join. If you don’t have Medicare Part A and you can get your Medicare coverage through a union or employer group health plan, check with your benefits administrator to see if there is an exception to this rule.

If you don’t have Medicare Part A, you can enroll in Part A. You must pay a monthly premium of \$ <2004 premium amount> per month in 2004. If you wish to enroll in Medicare Part A, you should call the Social Security Administration at 1-800-772-1213 or visit your local Social Security office.

(Note to M+C organizations—If cost plan choice(s) exists, add the following There are also exceptions to this rule for certain types of managed care plans, called “cost plans”. You may be able to join a cost plan, even if you don’t have Medicare Part A. If you are interested in joining a cost plan, you should call the plan to see what the requirements are. Look in Section I under “Other Types of Medicare Health Plans.”)

When to Enroll In Medicare Part A

If you choose to enroll in Medicare Part A now, you qualify for a "Transfer Enrollment Period." The Transfer Enrollment Period allows you to enroll in Medicare Part A in **October, November, December 2003, or January 2004**. If you enroll during one of these months, your Part A coverage will begin **January 1, 2004**. You can also enroll from **February 1, 2004 through August 31, 2004**. If you enroll during one of these months, your Part A coverage will begin the month after you enroll. The Social Security Administration can provide more information about the Transfer Enrollment Period. You can visit your local Social Security office or call the Social Security Administration at 1-800-772-1213.

If you don't intend to enroll in Medicare Part A at this time, you will still be able to enroll in the future during the annual Medicare "General Enrollment Period." This period runs from January through March of every year. If you enroll during a General Enrollment Period, your Part A coverage will become effective on July 1st of that same year. At that time, you may join another Medicare Managed Care Plan.

Section V: Where Can I Get More Information and Help Making My Health Care Decisions?

- Go to www.medicare.gov on the Web

This website gives official information about the Medicare program. You can check the www.medicare.gov website to see if any new Medicare health plans become available in your area. Information about which health plans you can choose from for coverage beginning **January 1, 2004** should be available on **October 21, 2003**. The website also lists local information sources and links to other health sites. You can also compare information about costs, benefits, and the quality of health plan care. To shop for health plans, use the "Medicare Personal Plan Finder" to find the plans that best meet your needs.

- Call 1-800-MEDICARE (1-800-633-4227)
TTY 1-877-486-2048

This help line is run by the Centers for Medicare & Medicaid Services (CMS). This is the Federal Government Agency that runs the Medicare program. Customer Service Representatives are available, 24 hours a day, seven days a week, to answer your questions about Medicare and to take orders for Medicare publications.

- Get a copy of **Medicare & You 2003** or other helpful Medicare publications

Each year, every household will receive a copy of the *Medicare & You* handbook. This handbook provides information about your health care choices. The handbook is available in English, Spanish, Braille, large print, or on audiotope. Other helpful publications available

from CMS include: *Choosing a Medicare Health Plan* (CMS Pub. No. 02219) and *Your Guide to Private Fee-for-Service Plans* (CMS Pub. No. 10144). You can read or print out these publications on www.medicare.gov. Select "Publications." You can also call 1-800-MEDICARE (1-800-633-4227) and ask for a free copy. TTY users should call 1-877-486-2048.

- **Call [name of State Health Insurance Assistance Program (SHIP)]**
[SHIP number(s)] (Note: Your CMS Regional Office can provide the SHIP name and the telephone number(s) that should be used here)

Volunteer counselors are available to answer your questions, discuss your needs, and give you information about your options.

- **Call [name of specific State Insurance Commissioner's Office]**
[appropriate phone number(s)] (Note: Your CMS Regional Office can provide the name and the telephone number(s) that should be used here)

Call if you have questions about the Medigap policies available in your area.

- **Ask About Assistance for Medicare Individuals & Couples with Low Incomes**

If you have low income and resources, you may qualify for some help with paying your Medicare premiums, deductibles, and coinsurance costs. Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Ask about Medicare savings programs.